## Message Text

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E.O. 11652: GDS

TAGS: PFOR, UK, XF

SUBJECT: A 1975 OVERVIEW OF BRITISH MIDDLE EASTERN POLICY

BEGIN SUMMARY AND INTRODUCTION. THERE HAVE BEEN SOME SUBTLE CORRECTIVE TILTS AWAY FROM PRO-ARAB POSITIONS IN HMG'S PUBLIC STATEMENTS, ITS UN VOTING, AND ITS STANCE IN EC DISCUSSIONS OF MIDDLE EASTERN PROBLEMS SINCE LABOR TOOK OVER IN FEBRUARY 1974. HOWEVER, SUBSTANTIVE BRITISH POLICY TOWARD THE ARAB-ISRAELI OUESTION HAS REMAINED ES-SENTIALLY AS IT WAS UNDER THE PREVIOUS CONSERVATIVE AD-MINISTRATION. THIS HELPS TO KEEP ARAB GULF OIL AND MONEY FLOWING TO THE UK, BUT DISCOURAGES ARAB HOPES OF UK ASSISTANCE IN DEVELOPING AN INDEPENDENT EUROPEAN ROLE IN MIDDLE EAST PEACEMAKING. AT THE SAME TIME, THERE HAS NOT BEEN ENOUGH CHANGE TO INSTILL ANY GENUINE WARMTH OR TRUST IN UK RELATIONS WITH ISRAEL, WHICH REMAIN FORMALLY COR-RECT. THE LABOR GOVERNMENT SHOWS AN EVEN HIGHER APPRE-CIATION OF ITS TIES WITH THE USG THAN DID ITS PREDECESSOR AND WILL FOLLOW OUR LEAD ON OUTSTANDING ISSUES SUCH AS RECOGNITION OF THE PLO. END SUMMARY AND INTRODUCTION.

- 1. THE LABOR PARTY'S CONDUCT OF HMG FOREIGN AFFAIRS SINCE FEBRUARY 1974 HAS BEEN MARKED BY AN EVEN GREATER DEARTH OF PUBLIC POLICY PRONOUNCEMENTS ON THE MIDDLE EAST THAN WAS NORMAL UNDER ITS ALREADY QUITE RETICENT CONSERVATIVE PREDECESSOR. HMG MAINTAINS A PURPOSEFUL DESIRE TO AVOID BEING MISINTERPRETED IN A WAY THAT MIGHT CUT ACROSS SECRETARY KISSINGER'S PEACEMAKING EFFORTS OR OTHERWISE BURDEN UK RELATIONS WITH THE US. A PRIME ELEMENT NO DOUBT HAS BEEN PRIME MINISTER WILSON, WHOSE PERSONAL TIES WITH ISRAEL HAVE BECOME SYMBOLIZED IN A NEWSPHOTO OF HIM EMBRACING FORMER ISRAELI PRIME MINISTER GOLDA MEIR ON A 1974 VISIT HERE WHICH RECEIVED WIDE PUBLICITY IN THE ARAB WORLD (ALTHOUGH--PREDICTABLY--THE PHOTO FIRST APPEARED IN THE BRITISH ZIONIST "JEWISH OBSERVER AND MIDDLE EAST REVIEW").
- 2. SUCH FLAMBOYANT WILSONIAN GESTURES, AND EQUALLY DEFIANT REMARKS ON OCCASIONS SUCH AS THE NOVEMBER ARAB TERRORIST HIJACKING OF A BRITISH AIRLINER IN TUNIS, STAND SECRET

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OUT EVEN MORE SHARPLY AGAINST THE DULL GRAY PROTECTIVE COLORING IN WHICH FOREIGN SECRETARY CALLAGHAN HAS SEEN FIT TO CLOTHE BRITISH OFFICIAL MIDDLE EASTERN POLICY. PUBLIC OPINION POLLS INDICATE THAT A MAJORITY OF BRITONS GENERALLY FAVOR ISRAEL AND SUPPORT ISRAEL'S CONTINUING EXISTENCE. THIS IS A SENTIMENT MARKEDLY MORE POPULAR AMONG THE LABOR PARTY FAITHFUL (FOR SOCIALIST INTERNATIONAL AND OTHER REASONS). BUT EXACTLY HOW PUBLIC

OPINION APPORTIONS THE BLAME BETWEEN ISRAEL AND THE ARABS FOR THE SLOWNESS OF PROGRESS IN ACHIEVING MIDDLE EASTERN PEACE IS ANOTHER QUESTION. OPINION IN PARLIAMENT IS VERY MUCH MIXED ON THAT QUESTION, CUTS ACROSS PARTY LINES, AND PROVIDES A STRONG INCENTIVE TO BOTH LABOR AND CONSERVATIVE GOVERNMENTS NOT TO STRAY VERY FAR FROM A MIDDLE COURSE.

3. OIL, AND ITS FINANCIAL REPERCUSSIONS, HAVE PROVIDED AN ADDITIONAL INCENTIVE SINCE OCTOBER 1973 FOR HMG TO KEEP A LOW PROFILE ON ARAB-ISRAELI QUESTIONS AND FOLLOW A NONPARTISAN APPROACH IN DEALINGS WITH ARABS AND ISRAELIS. PROMINENT BUSINESS FIGURES CONTINUE VIGOROUSLY TO PURSUE THEIR COMMERCIAL SALESMANSHIP WITH MIDDLE EASTERN GOVERNMENTS AND LABOR MINISTERS VISIT MIDDLE EASTERN COUNTRIES (AND TALK TO ARAB POTENTATES ON THEIR FREQUENT EXCURSIONS TO BRITAIN) FULLY AS MUCH AS DID THE

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## CONSERVATIVES.

- 4. NEVERTHELESS, THERE HAS BEEN A GRADUAL AWAKENING TO THE NEED FOR A STIFFER BACKBONE AS THE PROBLEM OF OIL AND FINANCES HAS BECOME BETTER UNDERSTOOD AFTER THE DAYS OF NEAR-PANIC (UNDER THE CONSERVATIVE GOVERNMENT) IN LATE 1973 AND EARLY 1974. WE BELIEVE THIS IS DUE IN NO SMALL MEASURE TO THE GROWING EFFECTIVENESS OF WESTERN RESISTANCE TO ARAB (AND OPEC) PRESSURE ORCHESTRATED BY THE US GOVERNMENT. GRADUALLY, THE PROBLEM OF OIL IS BEING RECOGNIZED AS AN IMPORTANT--BUT NOT UNIQUE--PART OF THE LARGER WORLD ECONOMIC PROBLEM, FOR THE SOLUTION OF WHICH USG POLICY COUNTS A GOOD DEAL MORE THAN THE VARIOUS POLICIES OF VARIOUS ARAB GOVERNMENTS.
- 5. THE RESULTS OF THIS BRITISH SHIFT ARE NOTICEABLE IN EUROPEAN COMMUNITY DISCUSSIONS OF MIDDLE EASTERN PROBLEMS, AS WELL AS RELATED UN VOTING. ALONG WITH THREE OTHER EC MEMBERS, THE UK RESISTED FRENCH-LED INTRODUCTION OF PLO "OBSERVERS" INTO THE PROJECTED EURO-ARAB DIALOGUE, THOUGH IT HAS YIELDED TO A COMPROMISE PROPOSAL OF "DENATIONALIZED WORKING GROUPS" MAINLY BECAUSE IT COULD NOT AFFORD TO ADOPT A MORE OPENLY "ANTI-ARAB" STANCE IN CONTRADISTINCTION TO MOST OF ITS EC PARTNERS. THE BRITISH ARE GENUINELY CONFIDENT THEY CAN AVOID TROUBLESOME POLITICAL RESULTS FROM THIS DIALOGUE, THOUGH THEY ARE PROBABLY DISINGENUOUS IN THEIR PROTESTS TO US THAT THEY AND THEIR LIKE-MINDED EC PARTNERS CAN PREVENT POLITICAL QUESTIONS FROM BEING RAISED AT ALL. THE BRITISH ARE NOT

WORRIED ABOUT IDLE DISCUSSIONS WITH THE ARABS, BELIEVING THAT THESE CAN BE DEFLECTED FROM CONCRETE ACTION. IN THIS CONNECTION, THE BRITISH MAINTAIN A GOOD TRACK RECORD IN HELPING US KEEP THE EUROPEAN COMMUNITY FROM ATTEMPTING TO PLAY AN INDEPENDENT ROLE IN MIDDLE EAST PEACEMAKING.

6. SOMEWHAT SIMILAR HAS BEEN THE BRITISH STAND AGAINST EC PREFERENCES FOR IRAN. ALTHOUGH IRAN IS OF VERY GREAT IMPORTANCE TO THE UK IN TERMS OF OIL, INVESTMENT, AND COMMERCE, THE UK (IN CONJUNCTION WITH EXPRESSED US DESIRES) HAS BEEN AMONG THOSE RESISTING EC PREFERENTIAL TREATMENT FOR COUNTRIES BEYOND THE MEDITERRANEAN AREA, SECRET

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OF WHICH THE IRANIAN CASE IS THE CURRENT EXAMPLE. THE UK CAN BE EXPECTED TO CONTINUE RESISTING UNLESS IT FINDS ITSELF ISOLATED WITHIN THE EC ON THIS QUESTION.

7. IN THE UN TOO, BRITISH VOTES UNDER THE LABOR GOVERN-MENT HAVE BEEN SOMEWHAT MORE OFTEN TO OUR LIKING, DESPITE THEIR EPHEMERAL NATURE. IN THE FACE OF LARGE AFFIRMATIVE VOTES IN THE UNGA, THE BRITISH WERE NEVERTHELESS ABLE TO VOTE NEGATIVELY WITH US ON UN OBSERVER STATUS PROPOSED FOR THE PLO IN NOVEMBER, AND HELPED HOLD MOST OF THEIR EUROPEAN PARTNERS TO AN ABSTENTION ON THE RELATED OUES-TION OF PERMITTING YASSER ARAFAT TO SPEAK. WE SHOULD NOT MAKE TOO MUCH OF THIS. THE BRITISH WERE CAREFUL TO FIND SOME EUROPEAN COMPANY FOR THEIR VOTES, AND HAD FAIRLY APT EXPLANATIONS TO OFFER THE ARABS AFTERWARDS. THEY WOULD NOT HAVE VOTED THIS WAY IF THERE HAD BEEN ANY DANGER OF SERIOUSLY DAMAGING THEIR IMAGE IN THE ARAB WORLD. THE BRITISH REMAIN AWARE THAT IMAGE COUNTS GREATLY IN THE ARAB WORLD, WHILE THE MORE REALISTIC ISRAELIS WILL USUALLY SETTLE FOR NO DAMAGE IN THE ESSEN-TIALS. THE WILSON GOVERNMENT'S CONTRIBUTION TO UN VOT-ING HAS CONSISTED OF SCRUTINIZING THE POSSIBILITIES IN EACH CASE MORE CLOSELY WHEN IT COMES TO IMAGE, SEEKING TO INCLUDE WHENEVER POSSIBLE ADDITIONAL MESSAGES IN THE INTERPRETATION OF BRITISH UN VOTES, MESSAGES SUCH AS: (A) THE INADVISABILITY OF ARAB BULLYING HMG OR FELLOW EUROPEANS, (B) THE HIGH VALUE ATTACHED BY HMG TO ITS US RELATIONSHIP, AND (C) THE LABOR GOVERNMENT'S UPRIGHT, EVEN-HANDED APPROACH TO ARAB-ISRAELI PROBLEMS IN THE EYES OF LABOR'S OWN FAITHFUL.

8. THUS BRITISH POLICY IN EARLY 1975 DRAWS SOMEWHAT MORE CRITICISM THAN IT USED TO FROM CLOSE OBSERVERS SUCH AS THE OFFICIALS OF THE EGYPTIAN EMBASSY IN LONDON. ON THE

OTHER HAND JEWISH GROUPS COMPLAIN ABOUT THE FOREIGN AND COMMONWEALTH OFFICE'S "ARAB LEGION," WITH THEIR PROTECTOR JAMES CALLAGHAN, DRAWING A DISTINCTION BETWEEN THIS OFFICIAL ESTABLISHMENT AND WHAT THEY PERCEIVE AS AN EMINENTLY MORE FRIENDLY PRIME MINISTER. THERE IS A SECRET

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GREATER APPRECIATION OF OLD TIES WITH THE US UNDER THE WILSON GOVERNMENT, AND A DESIRE TO LEAN MORE ON THEM

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THAN BEFORE IN CONFRONTING THE NEW PROBLEMS OF OIL AND INTERNATIONAL FINANCING. THERE IS A CONCOMITANT READINESS TO BE SOMEWHAT LESS PLIANT IN EC FORA, AND WITH MANY ARAB GOVERNMENTS.

9. BUT THE ESSENTIALS REMAIN THE SAME. BRITISH INFLUENCE REMAINS DEEPLY IMBEDDED IN MOST OF BRITAIN'S FORMER COLO-NIES AND PROTECTORATES DESPITE LABOR'S 1974 DEFENSE RE-VIEW, WITH ITS RENEWED WITHDRAWAL FROM "EAST OF SUEZ." BRITISH COMMERCE (SPEARHEADED BY A HEALTHY ARMS INDUSTRY) IS MAKING GREATER INROADS THAN EVER BEFORE IN PREVIOUSLY INHOSPITABLE TERRITORY SUCH AS IRAN AND SAUDI ARABIA. WHILE REVIVING ITS PROFITABLE RELATIONSHIPS WITH OLD CUS-TOMERS SUCH AS EGYPT AND (INCREASINGLY) IRAQ. HMG RE-MAINS PERSUADED OF THE NEED FOR MIDDLE EAST PEACE BASED ON A SETTLEMENT TOWARD WHICH ISRAEL. WHICH HOLDS MORE OF THE TANGIBLE CHIPS, WILL MAKE THE MOST TANGIBLE CONCES-SIONS. OF THE ARABS THE MOST HMG EXPECTS IS A MORE REAL-ISTIC READINESS THAN IN THE PAST TO SETTLE FOR LESS THAN THEIR MAXIMUM DEMANDS--AND ACCEPT ISRAEL WITHIN ITS PRE-1967 BORDERS. AS TO THE THORNY PROBLEM OF PALESTINIAN STATUS, THIS LABOR--OR ANY FUTURE CONSERVATIVE--GOVERN-MENT WILL FALL IN IMMEDIATELY BEHIND THE USG THE MOMENT IT PERCEIVES A SOFTENING OF USG ATTITUDE TOWARD THE PLO, AND GESTURES OF ACCOMMODATION TO IT. MEANWHILE, HMG WILL RESIST PRESSURES IN THAT DIRECTION.

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